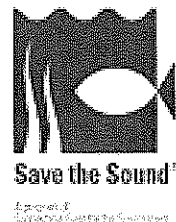




Testimony of:
Save the Sound, a program of
Connecticut Fund for the Environment



In Support of Governor's S.B. 842

AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES.

Before the Finance, Revenue and Bonding Committee

March 4, 2013

Submitted by Leah Lopez Schmalz

Connecticut Fund for the Environment is a non-profit organization that, along with its regional program Save the Sound, works to protect and improve the land, air and water of Connecticut and Long Island Sound on behalf of its 5,500 members. We develop partnerships and use legal and scientific expertise to achieve results that benefit our environment for current and future generations.

Dear Senator Fonfara, Representative Widlitz, and members of the Finance Revenue and Bonding Committee:

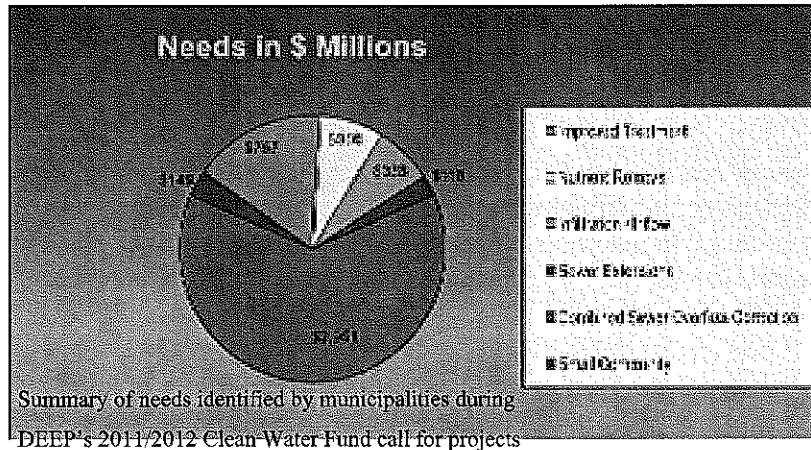
Save the Sound, a program of Connecticut Fund for the Environment submits this testimony in support of Governor's S.B. 842, An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes. Sections 62 & 63 provide new authorizations for the Clean Water Fund that will maximize job creation while providing public health protections and environmental benefits to Long Island Sound.

Clean Water Fund: Section 62 and Section 63

This bill would enhance the rebuilding of Connecticut's Clean Water Fund ("CWF") by authorizing \$285 M in general obligation bonds and \$712.4 M in revenue bonds for the biennium. In addition to funding critical water quality projects like separating combined sewer overflows ("CSOs") and upgrading sewage treatment facilities, this increase would *create between 22,000 and 35,000 direct and indirect jobs* and support the struggling traditional shellfishing and tourism industries that rely on the health of Long Island Sound.

1) The Clean Water Fund Need

The Clean Water Fund is the primary mechanism for upgrading sewage treatment plants, and related infrastructure, throughout the state. While over 600 projects in 114 municipalities have been funded with over \$2.2 billion, the Connecticut Department of Energy and Environmental Protection (CTDEEP) estimates that the current need is substantial: \$4.7 B in costs were identified by municipalities in response to CTDEEP 2011/2012 call for projects. Furthermore, the agency has noted that \$5.8 billion may be required over the next twenty years to adequately



meet our sewage infrastructure demands. Many of these projects, like combined sewer overflow separation (\$3 B needed) and secondary treatment upgrades (\$1.4 B needed) are legally required and bind both our municipalities and the state. Smaller towns

have sewer extension and decentralized wastewater treatment needs (\$148 M); and older pipes statewide are disintegrating and in need of repair (infiltration and inflow needs: \$336 M).

Additionally, new issues are looming. For example:

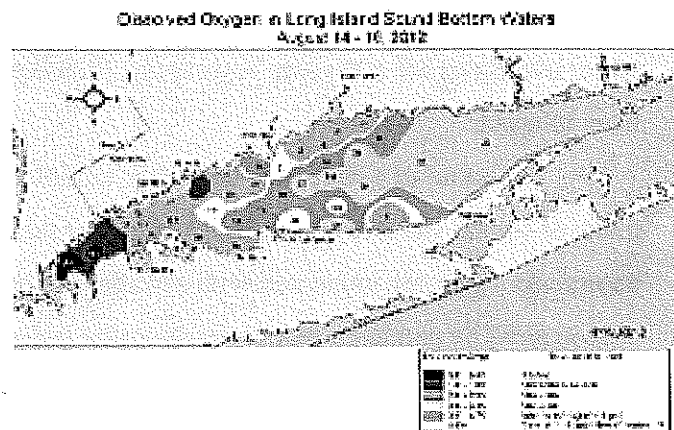
- A number of plants have not yet moved forward on nitrogen reduction construction to comply with the 2014 nitrogen removal requirements and 28 facilities in the state must comply with phosphorus removal requirements (\$336 M needed).
- Increasing water quality regulations under the Clean Water Act's Phase II requirements could increase demands on the CWF as towns and cities move beyond sewage treatment discharge and are forced to confront stormwater run-off (at least \$100 M).
- Storms Irene and Sandy demonstrated the need to enhance the resiliency of our wastewater infrastructure in the face of climate change. Sea level rise and storm inundation threaten numerous plants along the coast. Reports after Sandy indicated seven of the state's sewage pumping stations were forced to discharge raw sewage into nearby waterways during the storm and four sewage treatment plants were flooded or inundated with water forcing them to resort to primary disinfectant treatment. Furthermore, Stamford's POTW had operational issues with their treatment system which included losing solids, low UV dosage, and loss of clarifiers. Funding to modify pump stations and electrical systems will be necessary and

planning for future expansions and plant sites, in light of climate change, is critical. As of now, there are no final cost estimates.

2) The Benefit of Investing in Clean Water

The vision for healthy Connecticut waters that sustain a vibrant wildlife population, promote the local fishing and dining industry and support tourism with open and clean beaches has the added benefit of producing high quality jobs. Currently public health and wildlife vitality is put at risk by two problems: CSO flow and excess nitrogen. Public health is threatened by the two billion gallons of raw sewage that is discharged into our water ways every year from CSOs. These ongoing releases result in closed beaches and shellfish beds. Similarly, excess nitrogen discharges lead to low oxygen levels that stretch from New Haven to New York City and jeopardize wildlife and submerged habitats. This condition is largely caused by inadequate denitrification processes at treatment plants. Both CSO separation and nitrogen reduction are required by law and both can be managed with adequate resources, like funding through the Clean Water Fund.

While these are projects that ultimately protect human health and the environment, including the \$8.5 billion/year economic-



driver Long Island Sound, they are also short and long term job producers and enhancers.

Authorizations for FY 2014 and FY 2015 are expected to create between 22,000 and 35,000 jobs.¹ And once certain projects are complete, existing industries can begin to grow job capacity. For example, once Bridgeport's CSO separation is finished local shellfishing companies will again be allowed to farm prime state beds that are currently closed by raw sewage discharges on 50% of harvestable days.

3) The Clean Water Fund History

The Clean Water Fund traditionally pooled federal and state funds to ensure that towns and cities could afford to undertake sewage treatment projects to protect the health of its citizens and to meet legal obligations to clean up Connecticut's rivers and Long Island Sound. Despite

¹ *How Infrastructure Investments Support the U.S. Economy: Employment, Productivity and Growth* http://www.americanmanufacturing.org/wordpress/wpcontent/uploads/2009/01/peri_aam_finaljan16_new.pdf; and Connecticut's formula of 21 jobs for each \$1M spent on water infrastructure.

years of tremendous progress, the slow erosion of the Clean Water Fund began with the decline of Federal Capitalization Grants/Clean Water State Revolving Fund investments. It escalated to a collapse in 2002/2003 when the state eliminated funding to the program.

Thankfully, legislators pulled the CWF back from the brink in 2008, and put Connecticut on the right path to a clean water future. While the authorizations in the last few years are some of the largest in the fund's history, it will take consistent levels of substantial funding to repair the damage done from the five years of funding reductions and rescissions.² For example, despite the significant allocations in 2008, 2009 and 2012, there are CSO problems that are shovel ready, but nonetheless remain unfunded. Insufficient investments will force the state to fall behind on its commitments to safe beaches and healthy waters while sacrificing federal money and local jobs. In fact, based on CTDEEP data, inadequate long-term CWF commitments could result in lakes and streams remaining impacted by sewage-laden water from combined sewer overflows for 100 years beyond the 2020 deadline and a delay in the clean-up of Long Island Sound.

The value of a well-financed CWF to protect the public's health is clear. Over 80 miles of stream and 266 square miles of harbor fail to meet water quality standards, nearly 250 basements a year are inundated with sewage backup, and over 200 days of beach-going are lost or hampered by pathogen worries each spring and summer. The projects funded through the Clean Water Fund will not only help restore these waterways, they will create economic benefits and job growth. Failure to adequately invest in the CWF is a failure the state simply cannot afford.

In closing, Clean Water Funding makes Connecticut a better place to live and do business. We urge you to ensure clean water and green jobs remains a priority for the state by supporting Governor's S.B. 842.

Thank you for your consideration

Sincerely,

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² CTDEEP's Clean Water Fund Dilemma Report: http://www.ct.gov/deep/lib/deep/water/municipal_wastewater/cwf_a_g_report.pdf